REMARKS

Withdrawn claims 1-6 and 14-18 are now the subject of a divisional application and accordingly have been cancelled from this application.

Enclosed for the examiner's convenient reference is a copy of a peer-reviewed scholarly article authored by the inventors contemporaneously with the filing of this application. Although not prior art, the fact that such an article was accepted for publication is objective evidence that applicants' invention is both new and useful, and that the described programming models, equations, formulas, and numerical calculation techniques are readily understandable by those skilled in this art.

Claims 7, 8, 19, and 20 have been carefully reviewed and appropriately amended to more clearly define the relationship between the various elements, and as so amended, are believed to overcome the various section 112 deficiencies noted by the examiner.

As so amended, it should be apparent that the claimed inventions are directed to new and useful methodology for helping consumers ("a particular user") make optimal contributions to their Flexible Spending Account (FSA) for health care, by combining information about the consumer and his/her family (e.g., age, sex, household composition, medical conditions, household income, place of residence, degree of risk aversion) with information on the consumer's health insurance plan (e.g., plan type, premium, deductibles, co-payments, coinsurance, stop-loss provisions, benefit limits, coverage rules), and information on the real-world health care use and spending (e.g., insurance eligibility and medical claims data, including type of health insurance, date of service, diagnoses, procedures, place of service, billed charges, plan and patient payments) of people with similar demographic and health characteristics. It uses well known actuarial and economic modeling techniques (e.g., calculating the percentile distribution of out-of-pocket costs for health care, based on person- and household-level simulations using data on groups of people similar to the consumer) to construct a realistic mathematical model ("dynamic programming model") of the typical consumers'

decision-making process in response to various "health shocks" reflected in a "health transition equation". In particular, as now clearly recited in claims 7 and 19, the dynamic programming model is first solved to determine certain subjective and not otherwise readily quantifiable "preference parameters" using historical data for "like situated" consumers, and then is solved again using estimated data (such as marginal tax rate and risk aversion) specific to a "particular user" to determine an optimal FSA contribution for that user. As to whether these claimed inventions are enabled, reference is made to the above noted scholarly article and to the various prior publication cited therein (which for the most part, are already of record in the present application, and are believed to reflect the level of skill of those practicing in this art).

As to claims 8 and 20, the examiner's reference to "membership costs" and "account numbers" is not understood, these words not appearing in any claim. Moreover, the included equation does not relate to one specific consumption plan, but rather represents an expected maximum over a number of different consumption plans each dealing with a different possible "health shock".

The Director is authorized to charge any additional fee(s) or any underpayment of fee(s), or to credit any overpayments to Deposit Account 50-0337. Please ensure that Attorney Docket No. 6847-127/10100727 is referred to when charging any payments or credits for this case.

Respectfully submitted,

Dated: September 1, 2006 By /John M May/
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